

SUPERINTENDENT OF PUBLIC INSTRUCTION

CHAPTER 23

PERMISSIVE AND VOTED AMOUNTS AND LEVIES

Subchapter 1

Permissive and Voted Amounts, and Levies

Rule	10.23.101	Definitions (REPEALED)
	10.23.101A	Budget Unit (TRANSFERRED)
	10.23.102	Funding the BASE Budget Levy
	10.23.102A	Funding for Over-BASE Budget
	10.23.103	Voted Amount
	10.23.104	Retirement Levies
	10.23.105	Exemption from I-105 (REPEALED)
	10.23.106	State Equalization Levy (REPEALED)
	10.23.107	Basic Equalization Levy Shortfall (REPEALED)
	10.23.108	ANB and Basic Entitlement Calculations in Annexations and Consolidations

Subchapter 1

Permissive and Voted Amounts, and Levies

10.23.101 DEFINITIONS (REPEALED) (History: 20-9-102; IMP, 20-9-145, 20-9-353, MCA; NEW, 1990 MAR p. 510, Eff. 3/16/90; AMD, 1990 MAR p. 2277, Eff. 12/28/90; AMD, 1992 MAR p. 224, Eff. 2/14/92; REP, 1994 MAR p. 1824, Eff. 7/8/94.)

10.23.101A BUDGET UNIT (TRANSFERRED) (History: 20-9-102, MCA; IMP, 20-9-311, 20-9-313, 20-9-314, MCA; NEW, 1994 MAR p. 1824, Eff. 7/8/94; TRANS & AMD, 1996 MAR p. 2168, Eff. 8/9/96.)

10.23.102 FUNDING THE BASE BUDGET LEVY (1) The BASE budget is funded by:

(a) guaranteed tax base aid for eligible districts, as provided in 20-9-368, MCA;

(b) property tax revenue generated by the BASE budget levy and the levy in support of a school not approved as an isolated school under the provisions of 20-9-302, MCA;

(c) direct state aid;

(d) special education allowable cost payments;

(e) qualified educator payments;

(f) Indian Education for All payments deposited into the general fund;

(g) at-risk student payments;

(h) American Indian student achievement gap payments;

(i) nonlevy revenue; and

(j) reappropriated fund balance.

(2) To determine the BASE budget levy requirement needed to help fund the BASE budget area, the county superintendent shall first subtract the other revenues available to fund the district's BASE budget. The remaining amount is the BASE budget levy requirement.

(a) For purposes of calculating the general fund BASE budget levy requirement, nonlevy revenues must be estimated at an amount equal to the current year's actual collections, with the following exceptions:

(i) Revenue from coal gross proceeds shall be estimated by the DOR and reported to districts and county superintendents, by fund, by May 1. Districts must use the May 1 estimate provided by the DOR as the ensuing year's revenue budget for this funding source.

(ii) Anticipated tuition revenue for out of district pupils under the provisions of 20-5-321 through 20-5-323, MCA, may be used to fund the BASE or over-BASE budgets under 20-9-308, MCA and the tuition received for a pupil with disabilities in excess of the amount received for a pupil without disabilities as calculated under 20-5-323(2), MCA, may be deposited to the miscellaneous programs fund pursuant to 20-5-324, MCA.

- (iii) Anticipated oil and natural gas production taxes.
- (iv) Revenue from one-time funding sources, including prior year protested taxes, tax audit receipts, penalties and interest on taxes, and federal payments in lieu of tax, may be estimated in the ensuing year's budget in an amount that is based on the most current information available to the district.
- (v) School block grant funding as provided in 20-9-630, MCA.
- (3) To determine the BASE budget mills needed, the BASE budget levy requirement is divided by:
 - (a) for districts eligible for GTB aid, the sum of:
 - (i) the district's taxable valuation divided by 1000 plus;
 - (ii) the district's guaranteed tax base subsidy per mill.
 - (b) for districts that are not eligible for GTB aid, the district's taxable valuation divided by 1000.
- (4) When reporting the general fund BASE budget levy requirements to the county commissioners in accordance with 20-9-141, MCA, each county superintendent must report the following information for each district eligible for GTB aid:
 - (a) the final district GTB ratio and the statewide GTB ratio for the current fiscal year, as provided by OPI in accordance with ARM 10.21.101B through 10.21.101D; and
 - (b) the calculation used to determine the mills needed to fund the levy requirement for the BASE budget. (History: 20-9-102, MCA; IMP, 20-5-321, 20-5-322, 20-5-323, 20-5-324, 20-9-141, MCA; NEW, 1990 MAR p. 723, Eff. 3/16/90; AMD, 1992 MAR p. 224, Eff. 2/14/92; AMD, 1994 MAR p. 1824, Eff. 7/8/94; AMD, 1996 MAR p. 2168, Eff. 8/9/96; AMD, 2000 MAR p. 632, Eff. 2/25/00; AMD, 2002 MAR p. 1740, Eff. 6/28/02; AMD, 2004 MAR p. 1613, Eff. 7/23/04; AMD, 2006 MAR p. 3070, Eff. 12/22/06.)

10.23.102A FUNDING FOR OVER-BASE BUDGET (1) The over-BASE budget is funded by:

- (a) any amount of reappropriated fund balance and nonlevy revenue remaining after the BASE budget is funded;
- (b) estimated tuition receipts not used to fund the BASE budget;
- (c) excess general fund reserves established in accordance with ARM 10.22.103 and reported on the final budget for the current year; and
- (d) a district property tax levy.
- (2) Guaranteed tax base aid may not be used to fund the over-BASE budget. (History: 20-9-102, MCA; IMP, 20-9-308, MCA; NEW, 1994 MAR p. 1824, Eff. 7/8/94; AMD, 2002 MAR p. 1740, Eff. 6/28/02.)

10.23.103 VOTED AMOUNT (1) If adopting a general fund budget that is less than or equal to the ensuing year's maximum general fund budget and is within limits of 20-9-308, MCA, the trustees of a district must obtain voter approval for any dollar increase in the over-BASE levy budgeted for the current year. (History: 20-9-102, MCA; IMP, 20-9-353, MCA; NEW, 1990 MAR p. 510, Eff. 3/16/90; AMD, 1992 MAR p. 224, Eff. 2/14/92; AMD, 1994 MAR p. 1824, Eff. 7/8/94; AMD, 1998 MAR p. 1719, Eff. 6/26/98; AMD, 2000 MAR p. 632, Eff. 2/25/00; AMD, 2006 MAR p. 3070, Eff. 12/22/06; AMD, 2008 MAR p. 1692, Eff. 8/15/08.)

10.23.104 RETIREMENT LEVIES (1) Net county retirement levy requirement for elementary and high school retirement funds is defined in ARM 10.15.101.

(2) To determine the retirement mills needed, the net county retirement levy requirement for each fund is divided by:

(a) the sum of the county's taxable valuation as defined in ARM 10.15.101 divided by 1000 plus

(b) the state subsidy per mill for elementary and high school retirement funds provided to each county by the Office of Public Instruction. The state subsidy per mill shall be calculated as follows:

(i) the difference between the statewide mill value per ANB as defined in ARM 10.15.101 and the county mill value per ANB as defined in ARM 10.15.101 multiplied by the sum of all the county's elementary or high school budgeted ANB that is being used to calculate the districts' direct state aid for the school year for which the GTB funding is being sought.

(3) All counties, including those eligible for GTB aid and those not eligible for GTB aid, must use all revenue enumerated in 20-9-501, MCA, including the revenue listed in (2) to fund the final retirement budget.

(4) When reporting the net retirement levy requirements to the county commissioners in accordance with 20-9-501, MCA, each county superintendent must report the following information for each county eligible for GTB aid:

- (a) the state subsidy for elementary and high school retirement funds;
- (b) the calculation used to determine the mills needed to fund the net county retirement levy requirements. (History: 20-9-102, 20-9-369, MCA; IMP, 20-9-368, 20-9-501, MCA; NEW, 1990 MAR p. 723, Eff. 3/16/90; AMD, 1990 MAR p. 2277, Eff. 12/28/90; AMD, 1992 MAR p. 224, Eff. 2/14/92; AMD, 1994 MAR p. 1824, Eff. 7/8/94; AMD, 1998 MAR p. 1719, Eff. 6/26/98; AMD, 2006 MAR p. 3070, Eff. 12/22/06.)

10.23.105 EXEMPTION FROM I-105 (REPEALED) (History: 20-9-102, MCA; IMP, 15-10-412, MCA; NEW, 1990 MAR p. 510, Eff. 3/16/90; AMD, 1994 MAR p. 1824, Eff. 7/8/94; REP, 2000 MAR p. 632, Eff. 2/25/00.)

10.23.106 STATE EQUALIZATION LEVY (REPEALED) (History: 20-9-102, MCA; IMP, 20-9-360, MCA; NEW, 1990 MAR p. 510, Eff. 3/16/90; REP, 1996 MAR p. 2168, Eff. 8/9/96.)

10.23.107 BASIC EQUALIZATION LEVY SHORTFALL (REPEALED) (History: 20-9-102, MCA; IMP, 20-9-331, 20-9-333, MCA; NEW, 1990 MAR p. 510, Eff. 3/16/90; AMD, 1992 MAR p. 224, Eff. 2/14/92; AMD, 1994 MAR p. 1824, Eff. 7/8/94; REP, 2002 MAR p. 1740, Eff. 6/28/02.)

10.23.108 ANB AND BASIC ENTITLEMENT CALCULATIONS IN ANNEXATIONS AND CONSOLIDATIONS (1) In accordance with 20-9-311(8), MCA, for purposes of calculating the per-ANB and basic entitlement for the first three years that a school district continues after a consolidation or annexation the following will apply:

(a) Enrollment used to calculate the budgeted ANB of the school district that remains after the consolidation or annexation will be the enrollments of the separate school districts operating in the prior year, calculated as separate budget units.

(i) The enrollment of a school in nonoperating status in the prior year will not be used in calculating ANB, since no students were enrolled.

(ii) The enrollment of a district operating a school in the previous year that is subsequently closed when the districts are consolidated or annexed will be used in calculating current ANB and three-year ANB the first year the consolidation or annexation is effective. After the first year, the closed school will be factored into ANB calculations using a zero enrollment amount in calculating three-year ANB by budget unit.

(b) The combined district will receive a separate basic entitlement for the district or districts which combined for each of the six years after the consolidation or annexation becomes effective regardless of the distance between the schools or whether schools remain in operation. That is, the number of basic entitlements for the district after consolidation or annexation will be the same as the number before consolidation or annexation during this six year period, with percentage reductions during the last three years as provided in 20-9-311, MCA.

(i) The basic entitlement of a school in nonoperating status in the prior year will be zero.

(ii) The basic entitlement of a district operating a school in the previous year that is subsequently closed when the districts are consolidated or annexed will be calculated the first year using the enrollment for the prior year as a factor in determining the current ANB and three-year ANB for budgeting purposes. After the first year, the basic entitlement will be calculated using enrollment of zero for the closed budget unit in the calculation of current ANB or three-year ANB to determine the budgeted ANB under 20-9-311, MCA.

(iii) The basic entitlement for a district which continues to operate a school after the districts are consolidated or annexed will be calculated using the enrollment used for budgeted ANB.

(c) All schools of the combined district are subject to the school isolation requirements of 20-9-302 and 20-9-303, MCA. The district will provide the mandatory nonisolated levies in support of the general fund as necessary to support the increased entitlement provided by 20-9-311(8)(a)(iv), MCA.

(d) Trustees of a district which is entitled to receive additional entitlement under 20-9-311(8)(a)(iv), MCA, may forego the additional entitlement by sending a resolution to OPI by June 30. (History: 20-9-102, MCA; IMP, 20-9-308, 20-9-311, MCA; NEW, 1998 MAR p. 1719, Eff. 6/26/98; AMD, 2002 MAR p. 1740, Eff. 6/28/02; AMD, 2006 MAR p. 3070, Eff. 12/22/06.)